Inland Revenue

Notes on NON-RESIDENCE, ETC.

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HELP SHEETS AND LEAFLETS

Help Sheets and leaflets giving more detailed information about particular tax rules on non-residence, etc. are available from the Orderline. If you live or work abroad, you can contact the Orderline on International Access code followed by 44870 1555664 (fax 44870 1555778).

- *IR20: Residents and Non-Residents etc.*
- *Seafarers*
- *IR205S: Foreign Earnings Deduction for Seafarers*
- *IR211: Employment - residence and domicile issues*
- *IR212: Tax equalisation*
- *IR278: Temporary Non-residents and Capital Gains Tax*
- *IR300: Non-residents and investment income*
- *IR302: Dual residents*
- *IR303: Non-resident entertainers and sports persons*
- *IR304: Non-residents - relief under Double Taxation Agreements*

Filling in your Non-residence, etc. Pages

Broadly, you are resident in the UK if you spend at least half of a tax year here, or regularly spend at least a quarter of each tax year here. Normally days of arrival in and departure from the UK are ignored in counting the number of days spent in the UK. These Notes will help you to determine whether you are:

- not resident in the UK
- not ordinarily resident in the UK
- entitled to split-year treatment
- not domiciled in the UK.

They also explain how residence and domicile affect Income Tax and Capital Gains Tax.

If any of the four categories above applies to you, you should fill in the Non-residence, etc Pages **before** you fill in the rest of your Tax Return to give details of:

- income from working wholly or partly outside the UK
- pensions from abroad
- overseas investment income
- a trade or profession carried on wholly or partly outside the UK
- chargeable capital gains
- claims for allowances
- claims for relief from UK tax as a resident of another country or under the terms of the double taxation agreement between the UK and that country.

The Notes explain:

- what double taxation agreements are, and how they can reduce the UK tax you pay
- what to do if you are a resident in the UK **and**, for tax purposes, also resident in a country with which the UK has a double taxation agreement
- how, in general terms, the rest of your Tax Return is to be completed, as a result of your tax status
- what other information is available.

Deciding your residence status

You can find out your residence status by working through questions 1 to 5.

1. Were you present in the UK at any time during the year ended 5 April 2000? Yes ☐ No ☐

If '**NO**', you are not resident in the UK. Tick box 9.2 on Page NR1 of the Non-residence, etc. Pages. Please also complete boxes 9.9 to 9.16 as appropriate. Go to the section headed 'Deciding your ordinary residence status'.

If '**YES**', go to question 2.

2. Were you in the UK for a total of 183 days or more in the year ended 5 April 2000? Yes ☐ No ☐

If '**YES**', you are resident in the UK. Tick box 9.1. Go to the section headed 'Deciding your ordinary residence status'.

If '**NO**'

- go to question 3, if you have previously been resident in the UK but left before 6 April 1999, **or**
- go to question 4, if you left during the year ended 5 April 2000, **or**
- go to question 5, if you came to the UK before 6 April 2000 having previously been not resident in the UK.

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3. If you left the UK before 6 April 1999:

(a) since your departure have you lived, or do you intend to live, outside the UK for three years or more? Yes ☐ No ☐

(b) have you, or your spouse, worked full-time outside the UK or have you been abroad for a settled purpose throughout the year ended 5 April 2000? Yes ☐ No ☐

If '**NO**' to (a) **and** (b), you are resident in the UK. Tick box 9.1. Go to the section headed 'Deciding your ordinary residence status'.

If '**YES**' to (a) **or** (b), go to question 3 (c) below.

(c) have your visits to the UK in the period to April 2000 averaged fewer than 91 days in a tax year (excluding days spent in the UK owing to exceptional circumstances beyond your control, for example illness) over the period of absence or from 5 April 1996 (whichever is the shorter)? Yes ☐ No ☐

If '**YES**' to (c), you are not resident in the UK. Tick box 9.2. Please also complete boxes 9.9 to 9.16 as appropriate. Go to the section headed 'Deciding your ordinary residence status'.

If '**NO**' to (c), you are resident in the UK. Tick box 9.1. Go to the section headed 'Deciding your ordinary residence status'.

4. If you left the UK during the year ended 5 April 2000:

were you resident and ordinarily resident in the UK for the year ended 5 April 1999? Yes ☐ No ☐

If '**YES**', you are resident in the UK. Tick box 9.1. Go to the section headed 'Deciding your ordinary residence status'.

If '**NO**', go to question 5.

5. If you came to the UK before 6 April 2000:

(a) when you came to the UK did you intend to remain here for two years or more? Yes ☐ No ☐

(b) if you came to the UK before 6 April 1999, did you at any time between the date you came and 6 April 1999 anticipate remaining in the UK for two years or more from the date you came? Yes ☐ No ☐

(c) during the year ended 5 April 2000 did you anticipate remaining in the UK for two years or more from the date you came? Yes ☐ No ☐

(d) at any time during the year ended 5 April 2000 had you been in the UK for two years or more from the date of your arrival? Yes ☐ No ☐

(e) if you are remaining in the UK, have you owned or had a lease of three years or more on accommodation in the UK at any time between your arrival and 6 April 2000? Yes ☐ No ☐

(f) if you came to the UK before 6 April 1995, have your visits to the UK exceeded 363 days (excluding days spent in the UK owing to external circumstances beyond your control) in the four years ended 5 April 1999? Yes ☐ No ☐

(g) at any time during the year ended 5 April 2000, did you anticipate making visits to the UK that would average 91 days or more a tax year, over a four year period including 1999-2000? Yes ☐ No ☐

If '**YES**' to **any** of questions 5(a) to 5(g), you are resident in the UK. Tick box 9.1. Go to question 6.

If '**NO**' to **all** of questions 5(a) to 5(g), you are not resident in the UK. Tick box 9.2. Please also complete boxes 9.9 to 9.16 as appropriate. Go to question 6.

Deciding your ordinary residence status

If you are resident in the UK year after year, you are 'ordinarily resident' here. You can find out your ordinary residence status by answering questions 6 to 9 (or question 10, if you are a student).

6. Were you resident in the UK in the year ended 5 April 2000? Yes ☐ No ☐

If '**YES**', go to question 7.

If '**NO**', you are not ordinarily resident in the UK. Tick box 9.4. Please also complete boxes 9.17 to 9.24 as appropriate.

7. Were you ordinarily resident in the UK in the tax year ended 5 April 1999? Yes ☐ No ☐

If '**YES**', you are ordinarily resident in the UK. Tick box 9.3.

If '**NO**', go to question 8.

8. Were you resident in the UK in each of the four years up to the year ended 5 April 1999? Yes ☐ No ☐

If '**YES**', you are ordinarily resident in the UK. Tick box 9.3.

If '**NO**', go to question 9.

9.

(a) When you came to the UK did you intend to remain here for three years or more? Yes ☐ No ☐

(b) If you came to the UK before 6 April 1999, did you at any time between the date you came and 6 April 1999 anticipate remaining in the UK for three years or more from the date you came? Yes ☐ No ☐

(c) During the year ended 5 April 2000 did you anticipate remaining in the UK for three years or more from the date you came? Yes ☐ No ☐

(d) If you are remaining in the UK, have you owned or had a lease of three years or more on accommodation in the UK at any time between your arrival and 6 April 2000? Yes ☐ No ☐

(e) On 6 April 1999 had you been in the UK for at least three years? Yes ☐ No ☐

(f) If you came to the UK before 6 April 1995, have your visits to the UK exceeded 363 days (excluding days spent in the UK owing to external circumstances beyond your control) in the four years ended 5 April 1999? Yes ☐ No ☐

(g) At any time during the year ended 5 April 2000 did you anticipate making visits to the UK that would average 91 days or more in a tax year over a four year period including 1999-2000? Yes ☐ No ☐

If '**YES**' to **any** of questions 9(a) to 9(g), you are ordinarily resident in the UK. Tick box 9.3.

If '**NO**' to **all** of questions 9(a) to 9(g), you are not ordinarily resident in the UK. Tick box 9.4. Please also complete boxes 9.17 to 9.24 as appropriate.

Students

10. If you are a student in the UK for a period of study or education:

(a) was it your intention during the year ended 5 April 2000 to be here for four years or more from the date of your arrival in the UK? Yes ☐ No ☐

(b) if you came to the UK before 6 April 1999, did you at any time between the date you came and 6 April 1999 anticipate remaining in the UK for four years or more from the date you came? Yes ☐ No ☐

(c) during 1999-2000 were you still in the UK on or after the fourth anniversary of your arrival here? Yes ☐ No ☐

(d) have you at any time between your arrival here and 6 April 2000 owned or had a lease of three years or more on accommodation in the UK? Yes ☐ No ☐

(e) on leaving the UK will you be returning regularly for visits that average 91 days or more a tax year? Yes ☐ No ☐

If '**YES**' to **any** of these questions, you are ordinarily resident in the UK. Tick box 9.3.

If '**NO**' to **all** these questions, you are not ordinarily resident in the UK. Tick box 9.4. Please also complete boxes 9.17 to 9.24 as appropriate.

Split-year treatment

You are either resident or not resident in the UK for the whole of a tax year. However, by concession, the tax year is split in certain circumstances when you come to, or leave, the UK part way through a tax year. By answering the following questions you will be able to find out whether or not you qualify for split-year treatment for Income Tax purposes. For Capital Gains Tax purposes, as well as answering questions 11 to 18, you will need to consider the section headed 'Split-year treatment - capital gains' on page NRN4.

If you are resident in the UK for 1999-2000 but only came to the UK during the year ended 5 April 2000

11.

(a) Did you come to the UK during the year ended 5 April 2000 intending to remain here for at least three years, having been not ordinarily resident in the UK throughout the year ending 5 April 1999? Yes ☐ No ☐

(b) Between the date of your arrival in the UK and 5 April 2000, have you owned or had a lease of three years or more on accommodation in the UK? Yes ☐ No ☐

If '**YES**' to either (a) or (b), you are treated as resident from the date of your arrival and entitled to split-year treatment. Tick box 9.6 (make sure you have ticked box 9.1). Please complete box 9.25.

If '**NO**', answer question 12.

12. Did you return to the UK during the year ended 5 April 2000 on completion of a period that included at least a whole tax year in full-time employment outside the UK by you or your spouse, **and**

- during this period your visits to the UK totalled fewer than 183 days in any tax year, **and**
- those visits averaged fewer than 91 days a tax year? Yes ☐ No ☐

If '**YES**', you are treated as resident from the date of your arrival and entitled to split-year treatment. Tick box 9.6 (and make sure you have ticked box 9.1). Please complete box 9.25.

If '**NO**', go to question 13.

13. Did you at any time before 6 April 2000 intend to remain here for at least two years, having been not ordinarily resident in the UK throughout the year ended 5 April 1999? Yes ☐ No ☐

If '**YES**', you are treated as resident from the date of your arrival and entitled to split-year treatment. Tick box 9.6 (make sure you have ticked box 9.1). Please complete box 9.25.

If '**NO**', go to question 14.

If you are resident in the UK for 1999-2000 but left the UK during the year ended 5 April 2000

14. Were you not ordinarily resident throughout the year ended 5 April 2000? Yes ☐ No ☐

If '**YES**', go to question 15.

If '**NO**', go to question 16.

15.

(a) Did you at any time from the date you came to the UK, to the date you left the UK, anticipate remaining here for two years or more from the date you came? Yes ☐ No ☐

(b) On the date you left the UK had you been here for two years or more? Yes ☐ No ☐

If '**YES**', to (a) or (b), go to question 15(c) below.

If '**NO**', you do not qualify for split-year treatment.

(c) Did you leave the UK during the year ended 5 April 2000 to live abroad permanently, and your visits between the date of your departure and 6 April 2000 averaged fewer than 91 days a tax year? Yes ☐ No ☐

If '**YES**', you are treated as resident up to and including the date of your departure and entitled to split-year treatment. Tick box 9.6 (and make sure you have ticked box 9.1). Please complete box 9.26.

If '**NO**', you do not qualify for split-year treatment.

16. Did you leave the UK during the year ended 5 April 2000 to live abroad permanently, **and**

- your absence will continue to at least 6 April 2001, **and**
- your visits to the UK between the date of your departure and 6 April 2001 will average fewer than 91 days a tax year? Yes ☐ No ☐

If '**YES**', you are treated as resident up to and including the date of your departure and entitled to split-year treatment. Tick box 9.6 (and make sure you have ticked box 9.1). Please complete box 9.26.

If '**NO**', go to question 17.

17. Did you leave the UK during the year ended 5 April 2000 to take up full-time **employment abroad,** and

- your absence and employment will continue until at least 6 April 2001, **and**
- your visits to the UK between the date of your departure and 6 April 2001 will average fewer than 91 days a tax year?

Yes ☐ No ☐

If '**YES**', you are treated as resident up to and including the date of your departure and entitled to split-year treatment. Tick box 9.6 (and make sure you have ticked box 9.1). Please complete box 9.26.

If '**NO**', go to question 18.

18. Did you leave the UK during the year ended 5 April 2000, having been ordinarily resident, to accompany or join your spouse who had taken up full time employment abroad, **and**

- your spouse's absence and employment and your absence abroad will continue until at least 6 April 2001, **and**
- your visits to the UK between the date of your departure and 6 April 2001 will average fewer than 91 days a tax year, **and**
- if your spouse left the UK during the year ended 5 April 2000, your spouse's visits to the UK between the date of departure and 6 April 2001 will average fewer than 91 days a tax year, **or**
- if your spouse left the UK before 6 April 1999, your spouse's visits to the UK totalled fewer than 183 days in the year ended 5 April 2000 and averaged fewer than 91 days a tax year between the date of departure and 6 April 2000 or between 6 April 1996 and 6 April 2000, whichever is the shorter?

Yes ☐ No ☐

If '**YES**', you are treated as resident up to and including the date of your departure and entitled to split-year treatment. Tick box 9.6 (and make sure you have ticked box 9.1). Please complete box 9.26.

If '**NO**' to both questions 17 and 18 you do not qualify for split-year treatment.

Split-year treatment - capital gains

You do **not** qualify for split-year treatment for Capital Gains Tax purposes **if**:

- by answering questions 11 to 18 on pages NRN3 and NRN4 you find you do not qualify for Income Tax purposes, **or**
- you left the UK on or after 6 April 1999 **and** you were resident or ordinarily resident for tax purposes for any part of at least four out of seven tax years ended 5 April immediately preceding the tax year 1999-2000 (that is, 1992-93 to 1998-99 inclusive), **or**
- you returned to the UK on or after 6 April 1999 and you have been resident or ordinarily resident in the UK at any time during the five tax years 1994-95 to 1998-99 inclusive.

If you do not qualify for split-year treatment for Capital Gains Tax purposes and you have made any disposals of assets during the tax year ended 5 April 2000, the chargeable gains and allowable losses should be reported on the Capital Gains Pages. The Capital Gains Pages are available from the Orderline.

Temporary Non-residents and Capital Gains Tax

If you left the UK in 1997-98, on or after 17 March 1998 and you:

- were not resident and not ordinarily resident throughout 1998-99,
- returned to the UK during 1999-2000, **and**
- made disposals of assets during 1998-99,

the rules on temporary non-residents may apply to any gains or losses. Ask the Orderline for *Help Sheet IR278: Temporary Non-residents and Capital Gains Tax*.

Domicile

Domicile is a general law concept. There are many factors that affect your domicile. Some of the main points you should consider if you are claiming not to be domiciled in the UK are:

- you are normally domiciled in the country where you have your permanent home
- you cannot be without a domicile
- you can only have one domicile at any given time
- your existing domicile is presumed to continue until it is proven that a new domicile has been acquired
- domicile is distinct from nationality or residence.

There are three types of domicile for Income Tax and Capital Gains Tax purposes:

- domicile of **origin**
- domicile of **choice**
- domicile of **dependency.**

Domicile of origin

You normally acquire a domicile of origin from your father when you are born. It need not be the country in which you were born. A domicile of origin may change as a result of adoption but not otherwise. A domicile of origin is not easy to displace. For example, if you leave the country of your domicile of origin, you will continue to be domiciled there until you acquire a domicile of choice elsewhere.

Domicile of choice

You have a legal capacity to acquire a new domicile at the age of 16. Broadly, to acquire a domicile of choice you must leave your current country of domicile and settle in another country. You need to provide strong evidence that you intend to live there permanently or indefinitely. The following factors will be relevant, though the list is not exhaustive:

- your intentions
- your permanent residence
- your business interests
- your social and family interests
- your ownership of property
- the form of any Will you have made.

If you need help, ask your Inland Revenue office or tax adviser.

Domicile of dependency

Until you have the legal capacity to change it, your domicile will follow that of the person on whom you are legally dependent. If the domicile of that person changes, you automatically acquire the same domicile, in place of your domicile of origin.

Before 1974, married women automatically acquired their husband's domicile. As a married woman, who married before 1974, you retain your husband's domicile until you legally acquire a new domicile.

An exception to this rule is the double taxation agreement between the UK and the USA, which provides that a marriage before 1974 between a woman who is a US national and a man domiciled within the UK, is deemed to have taken place on 1 January 1974.

Relevance of your domicile to your tax liability

Having read the above guidelines, if you think you are not domiciled in the UK you must now decide whether domicile has any immediate relevance to your UK tax liability. If you are not resident and not ordinarily resident in the UK, it will not usually be necessary to consider domicile and boxes 9.5 and 9.27 to 9.31 need not be completed. Work through the following questions.

19. Did you have, or could you have benefited from, any income arising abroad or gains on assets situated outside the UK for the year ended 5 April 2000 that will not be wholly remitted to the UK? Yes ☐ No ☐

20. Have you made (or will you be making) a claim for the year ended 5 April 2000 for UK tax relief on contributions to a non-UK pension scheme or retirement benefit plan, which were incurred out of remuneration you received from an employer who is not resident in the UK? Yes ☐ No ☐

21. Have your costs for the year ended 5 April 2000, or those of your family, in travelling between the country in which you normally live and the UK, been borne or reimbursed by your employer? Yes ☐ No ☐

22. In the year ended 5 April 2000 did you have income from an employment:

- where the employer was not resident in the UK, **and**
- all the duties of the employment were carried out abroad, **and**
- you have not remitted the whole of the income to the UK? Yes ☐ No ☐

If '**YES**' to any of questions 19 to 22, domicile is relevant for the year ended 5 April 2000. Tick box 9.5. Please also complete boxes 9.27 to 9.31 as appropriate.

If '**NO**', to all of questions 19 to 22, domicile is not relevant for the year ended 5 April 2000. Do not fill in boxes 9.5 and 9.27 to 9.31.

Tax implications

Broadly the UK charges tax on:

- income arising in the UK, whether the individual to whom it belongs is resident in the UK or not
- income arising outside the UK that belongs to individuals resident in the UK
- gains accruing on the disposal of assets anywhere in the world, that belong to individuals resident or ordinarily resident in the UK.

Special rules apply in some circumstances, but generally the amount of Income Tax and Capital Gains Tax you have to pay depends on whether you are resident and ordinarily resident in the UK, and in some cases on your domicile.

Application to specific sources of income/gains

The Tables on pages NRN8 to NRN12 summarise the tax consequences of the tax status you claim. If a Table shows that you **are liable to tax**, fill in relevant boxes in your Tax Return. If a Table shows that you **are not liable**, you do not need to put the income or gains concerned in your Tax Return.

If a Table shows that you are liable on a **remittance basis,** you are liable to UK tax on the amount of your overseas income or gains paid here, or transmitted, or brought to the UK in any way. If this applies, enter the amount of the remittance in the relevant boxes in your Tax Return.

The 'arising' basis

Unless a Table shows that you are liable to Income Tax or Capital Gains Tax on the remittance basis, enter the **full amount of income or gain arising** from the particular source in the tax year, even if the income or gain is not brought to the UK. In the case of business profits or rental income, the 'full amount of income arising' means the gross income *minus* allowable expenses. For other sources the 'full amount' is the gross income arising.

The 'remittance' basis

Where a Table shows that you are liable to Income Tax or Capital Gains Tax on the remittance basis, enter in the relevant part of your Tax Return the full amount of the actual sums received in the UK in the tax year, irrespective of the tax year in which the income arose. The amount received in the UK might be less or more than the amount of income or gains arising in the tax year.

Example 1
Ian opened an overseas interest-bearing bank account in 1997-98 and interest arose as follows:

1997-98 £200 1998-99 £400 1999-2000 £500

If none of the interest was received in the UK in 1997-98 or 1998-99, but £800 was brought to the UK in 1999-2000, he will be liable to UK Income Tax for 1999-2000 on £800, even though only £500 arose in that year. He will put £800 in the Foreign Pages.

If, however, the above account had been closed on 31.12.98, the whole of the £600 interest that arose in 1997-98 and 1998-99 could be brought to the UK at any time in the 1999-2000 tax year without incurring a UK tax charge.

Example 2
John is resident but not domiciled in the UK. He has an overseas bank account containing £50,000, from the proceeds of selling property overseas of £45,000 (the original cost of which was £30,000) and interest credited for the year of £5,000. If he transfers £35,000 to the UK during the year, he will be liable to tax as follows:

(a) £5,000 will be liable to Income Tax. He will put it in the Foreign Pages. Note that remittances from 'mixed' funds of income and capital are treated primarily as coming from income

(b) £10,000 will be liable to Capital Gains Tax - this is one-third of the amount transferred to the UK (£35,000 *minus* £5,000). He will put this in the Capital Gains Pages. The fraction is used because immediately before the transfer to the UK the fund contained £50,000, of which £45,000 was proceeds from the disposal of property overseas and **one third** of that (£15,000) was a gain (£45,000 *minus* the original £30,000 cost).

Meaning of 'received in the UK'

Income or gains are 'received in the UK' if funds provided in the UK are derived from income or gains arising overseas. The precise way this result is achieved makes no difference. Any commercially recognised form of money, such as cash, notes, cheques, promissory notes, bills of exchange or financial credit, can constitute a remittance.

The money does not have to be physically imported from overseas. It may, for example, be received in the UK from another UK resident, in return for money, or assets representing income or gains, being transferred to them abroad. Nor does the money have to be received by you personally - if it is received by someone else on your authority, for example, in settlement of a debt between you and that person, then a remittance will have occurred.

If you use overseas income or gains to acquire assets that you subsequently bring to the UK, the import of the asset may in some circumstances constitute a 'sum received'. Even where it does not, if at a later date, you sell the asset in the UK, the proceeds will be treated as a taxable remittance of income or gains, to the extent that the funds originally used to acquire the asset were derived from overseas income or gains.

Similarly, if you use overseas income or gains to acquire an asset or investment abroad, and at a later date the asset or investment is sold or encashed and the proceeds transferred to the UK, the proceeds will constitute a sum 'received' and be taxable up to the amount of the overseas income or gains used to acquire the asset in the first place.

If you are in doubt about whether income or gains from abroad have been received in the UK, or the precise amount of that income or gains, ask your Inland Revenue office or tax adviser for assistance.

Double taxation agreements

A double taxation agreement is an arrangement between the governments of two countries to resolve taxation issues affecting them both. Agreements contain detailed provisions designed to eliminate or relieve the double taxation that can occur when income arises in one country to a resident of another. They do this by either exempting the income from tax in one country, or by reducing the rate at which tax is charged in one country and allowing credit for that reduced rate of tax in the other.

The UK has double taxation agreements with the following countries:

Antigua and Barbuda
Argentina
Australia
Austria
Azerbaijan

Bangladesh
Barbados
Belarus[1]
Belgium
Belize
Bolivia
Botswana
Brunei
Bulgaria

Canada
China
Côte d'Ivoire (Ivory Coast)
Croatia [2]
Cyprus
Czech Republic

Denmark

Egypt
Estonia

Falkland Islands
Fiji
Finland
France

Gambia
Germany
Ghana
Greece
Grenada
Guernsey
Guyana

Hungary

Iceland
India
Indonesia
Ireland (Republic of)
Isle of Man
Israel
Italy

Jamaica
Japan
Jersey

Kazakhstan
Kenya
Kiribati
Korea (Republic of)

Latvia
Lesotho
Luxembourg

Macedonia [2]
Malawi
Malaysia
Malta
Mauritius
Mexico
Mongolia
Montserrat
Morocco
Myanmar (Burma)

Namibia
Netherlands
New Zealand
Nigeria
Norway

Oman

Pakistan
Papua New Guinea
Philippines
Poland
Portugal

Romania
Russian Federation

St Kitts and Nevis
Sierra Leone
Singapore
Slovak Republic (Slovakia)
Slovenia[2]
Solomon Islands
South Africa
Spain
Sri Lanka
Sudan
Swaziland
Sweden
Switzerland

Thailand
Trinidad and Tobago
Tunisia
Turkey
Tuvalu

Uganda
Ukraine
USA
Uzbekistan

Venezuela
Vietnam

Yugoslavia (Federal Republic of)[2]

Zambia
Zimbabwe

Notes

1. The UK's agreement with the Soviet Union is to be regarded as in force between the UK and Belarus. The position with regard to former Soviet Republics not listed is less clear, but the UK will in all cases apply the provisions of the agreement on the basis that it is still in force (until such time as new agreements take effect with particular countries).

2. The UK's agreement with Yugoslavia is to be regarded as in force between the UK and Croatia, Macedonia, Slovenia and the Federal Republic of Yugoslavia. The position with regard to the remainder of what was Yugoslavia is unclear.

Non-residents and UK property income

Even though you may be not resident in the UK you could be liable to UK tax on income arising in the UK, including income from property. This is so whether or not tax is deducted by your letting agent, or tenants if there is no letting agent. You should complete the Land and Property Pages, available from the Orderline.

You are not liable to UK tax if your total UK taxable income (including net property income) is less than any UK tax allowance to which you may be entitled.

A non-resident individual who is entitled to UK property income may, in certain circumstances, apply to receive that income with no tax deducted. Contact your Inland Revenue office for help. You should complete the Land and Property Pages.

Non-UK residents

If you are not resident in the UK but resident in a country with which the UK has a double taxation agreement, you may be able to get relief from UK tax under the terms of that agreement in respect of income arising in the UK from:

- pensions (other than UK government pensions) and some annuities
- royalties
- dividends
- interest.

Some agreements require you to be subject to tax in the other country on the income in question, before you get relief from UK tax. The precise conditions for exemption or relief can be found in the relevant agreement. It is not possible to give full details here, as they vary from agreement to agreement. To claim double taxation relief, ask the Orderline for *Help Sheet IR304: Non-residents - relief under Double Taxation Agreements* and fill in box 9.35 to claim relief. If you require further assistance, ask your Inland Revenue office or tax adviser.

Dual residents

It may be that you are resident in the UK under UK domestic tax law **and also** resident for the same period in another country under that country's rules (that is, you are 'dual resident'). If the other country is one with which the UK has a double taxation agreement, the agreement will usually provide special rules for determining (*but only for the purpose of applying its detailed provisions*) in which of the two countries you are regarded as a resident.

If you are 'dual resident', you may be entitled to claim the exemptions and reliefs from UK tax granted to residents of that other country.

The rules for determining residence for the purposes of a double taxation agreement can be complex. Broadly, the standard provisions look at criteria such as the availability of a 'permanent home', your personal and economic relations with both countries, where you have an 'habitual abode', and your nationality.

Some of these terms have special meanings and interpretation of them is not always straightforward. Not all agreements have identical rules, or similar effect on tax liability.

The precise conditions for exemption or relief can be found in the relevant agreement. If you require further assistance, ask your Inland Revenue office or tax adviser.

If you intend to make a claim, tick box 9.8. Please also complete boxes 9.32 to 9.35 to claim any relief. Ask the Orderline for *Help Sheet IR302: Dual residents* which gives more information and includes a claim form for completion. You will also need to obtain a certificate from the overseas tax authority showing that they regard you as a resident under the domestic tax law of that country for the period of claim.

Claims for allowances by non-residents

If you are not resident in the UK and you satisfy one of the conditions listed below, you are entitled to the allowances that would be available to you if you were resident in the UK. The conditions are that you:

- are a Commonwealth citizen
- are a citizen of a state within the European Economic Area (EEA) that is Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Italy, Liechtenstein, Luxembourg, Netherlands, Norway, Portugal, Ireland (Republic of), Spain, Sweden and the United Kingdom
- are or have been employed in the service of the British Crown
- are employed in the service of any UK missionary society
- are employed in the service of any State under the protection of Her Majesty
- are resident in the Isle of Man or the Channel Islands
- have previously resided within the UK, and are resident abroad for the sake of your health or the health of a member of your family living with you
- are a widow whose late husband, or a widower whose late wife, was employed in the service of the British Crown.

If you satisfy one of the following conditions, you will need to get a certificate from the overseas tax authority stating that you are resident there for tax purposes for the period of the claim, and have documents (for example, a passport) to show that you are a national of that country. Keep the certificate and documents in case they are needed later to support your claim.

The conditions are:

- you are a national of Bulgaria, Israel, **or**
- you are a national and also a resident of Argentina, Azerbaijan, Belarus, Bolivia, China, Côte D'Ivoire, Croatia, Czech Republic, Egypt, Estonia, Hungary, Indonesia, Japan, Kazakhstan, Korea, Latvia, Macedonia, Morocco, Philippines, Poland, Romania, Russian Federation, Slovak Republic, Slovenia, Sudan, Switzerland, Thailand, Tunisia, Turkey, Ukraine, Uzbekistan, Venezuela, Vietnam, Federal Republic of Yugoslavia, **or**
- you are a resident of Austria, Barbados, Belgium, Falkland Islands, Fiji, Finland, France, Germany, Greece, Ireland (Republic of), Kenya, Luxembourg, Mauritius, Myanmar (Burma), Namibia, Netherlands, Norway, Portugal, Singapore, South Africa, Swaziland, Sweden and Zambia.

Unless you were a resident of Fiji, Greece, Ireland (Republic of), Myanmar (Burma), Namibia, Singapore or Swaziland you will not be entitled to personal allowances under the final category if your income consisted solely of dividends, interest and royalties or any combination thereof.

Tick box 9.7 if you are claiming personal allowances.

The double taxation conventions between the United Kingdom and the former Soviet Union, and what was Yugoslavia, allowed claims to be made by nationals who were also residents of these countries. However, the present position in relation to former Soviet and Yugoslav states not listed above is unclear.

Life assurance premium relief

If you ticked boxes 9.2 and 9.7 and have paid premiums on a life assurance policy taken out before 14 March 1984, you may be entitled to claim relief on gross premiums paid. If you consider you are entitled to claim such relief, contact Financial Intermediaries and Claims Office (NR Individuals) at the address given below*.

Further advice or information

More detailed information can be found in booklet *IR20: Residents and Non-Residents etc*, available from the Orderline.

Special rules apply to some people working abroad and also to members of visiting forces who are posted to the UK. Further guidance may be obtained as follows:

Crown employees (for example, civil servants, diplomats, members of the armed forces)	HMIT Cardiff 4 (Technical Unit) Foreign Section Ty-Glas Llanishen Cardiff Wales CF4 5GN (Tel: 029 2032 5000)
European Community (EC) employees and also members of visiting forces who are posted to the UK	Financial Intermediaries and Claims Office (NR Individuals)* St John's House Merton Road Bootle Merseyside England L69 9BB (Tel: 0151 472 6196)
Employees working in oil and gas exploration and extraction industries (where the employer is not resident in the UK)	Foreign Compliance, HMIT Centre 1 Queensway House East Kilbride Glasgow Scotland G79 1AA (Tel: 01355 275000)
Merchant Navy seafarers	Marine Section, HMIT Cardiff 1 Ty-Glas Llanishen Cardiff Wales CF4 5FN (Tel: 029 2032 6077)
Non-resident entertainers and sports persons	Foreign Entertainers Unit 2nd floor Royal House Prince's Gate 2-6 Homer Road Solihull West Midlands England B91 3WG (Tel: 0121 712 8602/8603)

*Table 1 - Scope of liability to Income Tax on employment income**

	Residence status[3] and whether domiciled in the UK	Employment performed wholly or partly in the UK: – in the UK	Employment performed wholly or partly in the UK: – outside the UK	Employment performed wholly outside the UK[5]
Foreign emoluments[1 and 4]	• Resident and ordinarily resident, not domiciled	Liable - less possible deduction[2]	Liable - less possible deduction[2]	Liable on the remittance basis - see notes on page NRN5
	• Resident but not ordinarily resident, not domiciled	Liable	Liable on the remittance basis - see notes on page NRN5	Liable on the remittance basis - see notes on page NRN5
	• Not resident, not domiciled	Liable	Not liable	Not liable
Other earnings[4]	• Resident and ordinarily resident, domiciled	Liable - less possible deduction[2]	Liable - less possible deduction[2]	Liable - less possible deduction[2]
	• Resident and ordinarily resident, not domiciled	Liable - less possible deduction[2]	Liable - less possible deduction[2]	Liable - less possible deduction[2]
	• Resident but not ordinarily resident, domiciled	Liable	Liable on the remittance basis - see notes on page NRN5	Liable on the remittance basis - see notes on page NRN5
	• Resident but not ordinarily resident, not domiciled	Liable	Liable on the remittance basis - see notes on page NRN5	Liable on the remittance basis - see notes on page NRN5
	• Not resident	Liable	Not liable	Not liable

Notes

* Subject to any different treatment provided for under the terms of the relevant article in a double taxation agreement.

1 '**Foreign emoluments**' is the term used in the Taxes Acts to mean the earnings of someone who is not domiciled in the UK and whose employer is not resident in the UK (nor in Ireland (Republic of)).

2 If you think that you may qualify for a Foreign Earnings Deduction for Seafarers, ask the Orderline for *Help Sheet IR205S: Foreign Earnings Deduction for Seafarers*.

3 If your residence and domicile status is anything other than resident and ordinarily resident and domiciled in the UK and you worked overseas during the year, you should refer to *Help Sheet IR211: Employment - residence and domicile issues* before completing the Employment Pages.

4 If you are tax equalised by your employer, you should refer to *Help Sheet IR212: Tax equalisation* before completing the Employment Pages.

5 If you hold an office or employment but no liability to UK Income Tax arises on the earnings, you do not need to complete the Employment Pages for that office or employment. Tick 'Yes' at Question 1 on page 2 of your Tax Return and make a note in the 'Additional information' box on page 8 explaining your circumstances.

If you held two or more offices or employments with the same employer or associated employers and emoluments from, say, one are chargeable to UK Income Tax but from the other are not, you should complete the Employment Pages for both or all of the associated employments. If you are unsure, contact your Inland Revenue office for advice.

*Table 2 - Scope of liability to Income Tax on pension income**

If Table 2 shows that you **are liable** to Income Tax on pension income complete:

- boxes 11.1 to 11.13 as appropriate on page 4 of your Tax Return
- the Foreign Pages for any overseas pension.

If Table 2 shows that you **are not liable** to Income Tax on overseas pension income, you need not complete the Pages for that income. This applies also to income arising abroad in the part of a split year during which you would not normally have been liable to tax.

Residence status and whether domiciled in the UK	**Paid by, or on behalf of a person:** – **in the UK**	– **outside the UK (overseas pension)**
• Resident and ordinarily resident, domiciled	Liable	Liable[1]
• Resident and ordinarily resident, not domiciled	Liable	Liable on the remittance basis[2] - see notes on page NRN5
• Resident but not ordinarily resident, domiciled	Liable	Liable[1 and 3]
• Resident but not ordinarily resident, not domiciled	Liable	Liable on the remittance basis[2] - see notes on page NRN5
• Not resident	Liable[4 and 5]	Not liable

Notes

* Subject to any different treatment provided for under the terms of the relevant article in a double taxation agreement.

1 Less 1/10th deduction.

2 Pensions arising in Ireland (Republic of) are liable on the arising basis *minus* 1/10th deduction. In the case of Irish Government pensions this applies only if the pensioner is solely a UK national.

3 Commonwealth or Irish citizens are liable on the remittance basis and the 1/10th deduction is not due other than on pensions arising in Ireland (Republic of) when Note 2 applies.

4 Where the pension is paid by an employer or its successor in the UK for an employment carried out abroad, that pension will not be liable to UK Income Tax. An employment is regarded as having been carried on abroad if:

- the last ten years' service for which the pension is paid was abroad, **or**
- the service abroad amounted to
  - half the total service for which the pension is paid, **and**
  - at least ten of the last 20 years.

This note does not apply to a UK or Northern Ireland Crown employment pension.

5 The tax charge on National Insurance retirement pensions is limited to the amount, if any, deducted at source. If you have any such income and you intend to calculate your tax, ask the Orderline for *Help Sheet IR300: Non-residents and investment income.*

*Table 3 - Scope of liability to Income Tax on investment income**

If Table 3 shows that you **are liable** to Income Tax, complete the following parts of your Tax Return, relevant to each source of income:

- for income from UK savings and investments - see boxes 10.1 to 10.26 on page 3 of your Tax Return
- for rent or income from UK land or property - see the Land and Property Pages
- for other income from UK investments - see page 4 of your Tax Return and the Trusts etc. Pages
- for income from investments outside the UK - see the Foreign Pages.

If Table 3 shows that you **are not liable** to Income Tax, you need not complete the Tax Return for that particular source of income. You can therefore answer 'No' to the second part of Question 6 on page 2 of your Tax Return, where there is no liability in respect of income or benefit resulting from a transfer of assets. This applies also to income arising abroad in the part of a split year during which you would not normally have been liable to tax.

Residence status and whether domiciled in the UK	**Investment income:** – **arising in the UK**	– **arising outside the UK**	**UK government securities**
• Resident and ordinarily resident, domiciled	Liable	Liable	Liable
• Resident and ordinarily resident, not domiciled	Liable	Liable on the remittance basis [1 and 5] - see notes on page NRN5	Liable
• Resident but not ordinarily resident, domiciled	Liable	Liable [2]	Not liable
• Resident but not ordinarily resident, not domiciled	Liable	Liable on the remittance basis [1] - see notes on page NRN5	Not liable
• Not resident but ordinarily resident, domiciled	Liable[3]	Not liable[4]	Liable
• Not resident but ordinarily resident, not domiciled	Liable[3]	Not liable[4] - unless footnote [5] below applies	Liable
• Not resident and not ordinarily resident, domiciled	Liable[3]	Not liable[4]	Not liable
• Not resident and not ordinarily resident, not domiciled	Liable[3]	Not liable[4]	Not liable

Notes

* Subject to any different treatment provided for under the terms of the relevant article in a double taxation agreement.

1 Income arising in Ireland (Republic of) is liable on the arising basis.

2 Commonwealth or Irish citizens are liable on the remittance basis, except for income arising in Ireland (Republic of).

3 Income from property in the UK, and investment income connected to a trade carried on in the UK through a branch or agency are liable to Income Tax in the normal way. The tax charge on other income covered by Table 3 is limited to the amount of tax, if any, deducted at source. If you have any income within this latter category and you intend to calculate your tax, ask the Orderline for *Help Sheet IR300: Non-residents and investment income.*

4 In the case of any gain under a life insurance policy, contract for life annuity, or capital redemption policy, only applies if the policy or contract was made outside the UK with an insurance company not resident in the UK or with an overseas branch of an insurance company resident in the UK, and the policy proceeds are not payable in the UK. If you need help ask your Inland Revenue office or tax adviser.

5 If you have received a benefit in the UK from an overseas trust, company or other entity (see Notes on Foreign Pages, pages FN10 and FN11), it should be entered in the appropriate boxes on the Foreign Pages to the extent that it could have been paid out of any income that has not already been paid away by that overseas trust, company or other entity.

*Table 4 - Scope of liability to Income Tax on self-employment income**

If Table 4 shows that you **are liable** to Income Tax on self-employment income complete a set of Self-employment Pages for each self-employment and for each set of accounts relevant to the basis period for each self-employment.

If Table 4 shows that you **are not liable** to Income Tax on self-employment income do not complete those Pages for that income. This applies also to income arising abroad in the part of a split year during which you would not normally have been liable to tax.

Residence status and whether domiciled in the UK	**Trade, profession or vocation carried on wholly or partly in the UK**	**Trade, profession or vocation carried on wholly outside the UK**
• Resident and ordinarily resident, domiciled	Liable	Liable
• Resident and ordinarily resident, not domiciled	Liable	Liable on the remittance basis[1] - see notes on page NRN5
• Resident but not ordinarily resident, domiciled	Liable	Liable[2]
• Resident but not ordinarily resident, not domiciled	Liable	Liable on the remittance basis[1] - see notes on page NRN5
• Not resident	Liable[3]	Not liable

Notes

* Subject to any different treatment provided for under the terms of the relevant article in a double taxation agreement.

1 Income from a trade, profession or vocation carried out wholly in Ireland (Republic of) is liable on the arising basis.

2 Commonwealth (this includes British) or Irish citizens are liable on the remittance basis unless the trade or profession is carried out wholly in Ireland (Republic of) when Note 1 applies.

3 Complete the Self-employment Pages to show profits attributable to the UK. Special rules apply to financial trades carried on through certain UK brokers and investment managers which generally limit the liability to tax deducted at source. Ask your Inland Revenue office or tax adviser if you need help.

*Table 5 - Scope of liability to Capital Gains Tax on disposals of assets**

If Table 5 shows that you **are liable** to Capital Gains Tax, complete the Capital Gains Pages.

If Table 5 shows that you **are not liable** to Capital Gains Tax, do not complete those Pages for these assets.

Residence status and whether domiciled in the UK	**Gains on disposal of:** – **UK assets**[1]	– **overseas assets**
• Resident and ordinarily resident, domiciled	Liable	Liable
• Resident and ordinarily resident, not domiciled	Liable	Liable if received in the UK - see notes on page NRN5
• Resident but not ordinarily resident, domiciled	Liable	Liable
• Resident but not ordinarily resident, not domiciled	Liable	Liable if received in the UK - see notes on page NRN5
• Not resident but ordinarily resident, domiciled	Liable	Liable
• Not resident but ordinarily resident, not domiciled	Liable	Liable if received in the UK - see notes on page NRN5
• Not resident and not ordinarily resident, domiciled	Not liable[2, 3]	Not liable[3]
• Not resident and not ordinarily resident, not domiciled	Not liable[2, 3]	Not liable[3]

* Subject to any different treatment provided for under the terms of the relevant article in a double taxation agreement.

Notes

1 There is no liability if the disposal is of certain UK government securities.

2 Liability will arise if the assets were used or held for the purposes of a trade, profession or vocation carried on in the UK through a branch or agency or by the branch or agency.

3 Gains arising during a period of temporary non-residence may be chargeable (see page NRN4).

These notes are for guidance only, and reflect the position at the time of writing. They do not affect any rights of appeal.